



HEBER CREEPER

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Heber Creeper, Inc.
Minutes-Board of Director Meeting
January 16, 1975

Present: Lowe Ashton
R.R. Green
W.R. Budd
Del Wallengren

Gordon Mendenhall
C.H. Nielsen
J.R. Edwards

Also Present:

Rey Arnold
Don Reimann

Robert Hatfield
Gordon Wheeler

Lowe Ashton gave an update on negotiations with potential investors and issued a warning or caution concerning potential liability for a finders fee of as much as 15% to the Stewart-Wright-Miller et al group if we proceed much further without an agreement.

Gordon Mendenhall moved that because of a lack of a contract, negotiations with the Stewart group be terminated and Lowe Ashton be authorized to re-approach Worsham with a new proposal for a \$300,000 phase one financing package and begin work toward the master plan.

Several alternatives were discussed and Gordon withdrew his motion. Del Wallengren moved that Lowe be authorized to approach Worsham with a phase I plan of \$300,000 equity or borrowed funds or a combination if Worsham is receptive, to then notify the Stewarts of our intent to terminate negotiations with them. Gordon Mendenhall seconded. Motion carried.

Rey Arnold reported that the winter projects had bogged down because of weather and contention with the museum. He indicated we had essentially finished installation of a new engine in the company truck, started work on re-decking the Provo River bridge, essentially completed work on the Shay, and are planning work on the #35 as the next project.

Rey Arnold proposed the following for the 1975 season:

1. School Program--April 28, 1975-June 13, 1975
2. Day excursion--weekends beginning May 10, 1975 through Memorial Day; daily from Memorial Day through Labor Day; and Friday, Saturday and Sunday through October 5, 1975.
3. NIGHT TRAIN--Friday and Saturday from May 10, 1975 through mid-June; Thursday, Friday, and Saturday through Labor Day (or more if business suggests); and Friday and Saturday through October 5, 1975.
4. Monday Night Special--Mondays in June, July, and August.

THE IRON HORSE TRAIL THROUGH THE ALPS OF AMERICA

5. Sunday afternoon diner--Sundays in June, July, August, and September.
6. Winter operations--decision postponed.

Rey Arnold recommended we petition the Public Service Commission for an across-the-board 10% increase in fares. He indicated we could try it with our own resources or retain a legal specialist in Public Service Commission matters.

R.R. Green moved that we accept the recommendation involving our own resources and proceed. W.R. Budd seconded. Motion carried.

Lowe reported that the NIGHT TRAIN, in spite of the many intangible benefits and potential benefits, was not a sound economic entity at present capacity. He recommended the board consider a capital investment of \$7-10,000 for a second lounge and \$10,000-12,000 for a second single item-menu diner. Lowe was directed to present a proposal for financing such expansion at the next board meeting.

Lowe appointed Gordon Mendenhall to chair a committee composed of R.R. Green, W.R. Budd, and Rey Arnold (ex-officio) to develop a set of recommendations for the terms of the food concession lease for the coming season. Such recommendations to be presented at the next board meeting.

Rey Arnold indicated that our option had expired on the Bridal Veil property and that there was a tentative offer by a Provo group contingent upon SBA financing pending. Rey indicated that he felt the asking price would make a reasonable return on investment impossible. He did indicate, however, that Bridal Veil--or some other location in the Canyon--was important to our operations. He suggested we consider a portable depot/snack bar/gift shop as a backup.

Lowe Ashton discussed recent developments in Provo Canyon as relates to the Utah County Planning Commission. He indicated that because the Canyon was a playground for more than Utah County residents, he favored development by the State Park system and indicated he would express these views to State Park Officials.

Del Wallengren moved that the annual stockholders meeting be set for Saturday, April 5, 1975 at 1:00 p.m. at a location to be selected and announced at a later date. Gordon Mendenhall seconded. Motion carried.

Lowe Ashton proposed that Ashton Oil employ Rey Arnold for development and management of One-Stop, a self serve gas station and convenience grocery store on a two to three month basis and pay the Heber Creeper two thirds of his salary. Gordon Mendenhall moved to accept the proposal. R.R. Green seconded. Motion carried.

Lowe Ashton appointed a committee to be chaired by Del Wallengren and include J.D. Boggess, James Ritchie, Gordon Mendenhall, and Lowe Ashton (ex-officio) to draft an employment contract for Rey Arnold for the coming season and to present such draft to the next board meeting.

Lowe Ashton turned the meeting over J.R. Edwards who in turn identified Don Reimann as spokesman for discussion of company/museum relationships.

Considerable discussion ensued. Representatives for the museum made at least the following points:

1. The museum would like to re-negotiate the equipment lease.
2. The museum believes the IRS believes the museum is a front for the company and that the IRS is "out to get" the company through the museum.
3. The museum feels they need, in writing, a guarantee that the company will provide space for a permanent museum.
4. The museum has no funds and feels the company should guarantee them some minimum figure annually.

Although not in the form of a motion, the company agreed to consider a written list of grievances and recommended modifications to the lease. Company representatives stressed that in any negotiations, the company stockholders would receive first and overriding consideration.

J.R. Edwards indicated the owner of the #35 would consider \$4000 by February 1, 1975, as payment in full for the \$6500 note due at year's end. Del Wallengren moved that we not pay off the #35 at this point in time. W.R. Budd seconded. Motion carried 3 to 2 with the President abstaining.

Lowe Ashton indicated we would not have sufficient capital to operate until the season began and requested authority to borrow up to \$25,000 in \$5,000 increments beginning in February or March. Del Wallengren moved that such authority be granted. W.R. Budd seconded. Motion carried.